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EXAMINER	
MOONEYHAM, JANICE A	

ART UNIT	PAPER NUMBER
3629	

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Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/825,470	LAWRENCE, DAVID	
	Examiner	Art Unit	
	Janice A. Mooneyham	3629	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *26 July 2006*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1,2,6-9,11-20 and 24-27* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-2, 6-9, 11-20, and 24-27* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

1. This is in response to the applicant's communication filed on July 26, 2006, wherein:

Claims 1-2, 6-9, 11-20 and 24-27 are currently pending;

Claims 1, 16, and 20 have been amended.

Response to Amendment

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

2. Claims 1-2, 6-9, 11-20, and 24-27 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

The following terms and concepts are not defined in a concrete manner that would allow someone to duplicate the invention. There are no clear and adequate explanations of the following terms so as to allow one wishing to duplicate and use the invention to do so:

Applicant has amended the claims language to read:

Receiving, into the computer memory, information relating to a plurality of risk assessment factors associated with a legal action, ***wherein the risk assessment***

factors are selected from a group consisting of a likelihood of prolonged litigation, damages, punitive damages, and damaged public opinion

The claim language is then directed to:

assigning a numerical value to each of the plurality of risk assessment factors wherein the numerical value is indicative of a legal risk of each risk assessment factor relative to the other plurality of risk assessment factors;

calculating a plurality of risk factor values by multiplying the numerical value and the weight assigned to each of the plurality of risk assessment factors;

calculating a risk quotient for the legal action by summing the plurality of risk factor values; and

in response to the calculated risk quotient, generating a suggested action associated with the legal action.

The specification explicitly states one exemplary way to implement the invention, which includes multiplying (an assigned numerical value representative of risk associated with a piece of information) x (a numerical weight of a risk assessment factor to which the information is assigned) and summing up the results for multiple pieces of information to obtain a risk quotient (scaled numerical or alphanumerical value).

How is the numerical value assigned to the risk assessment factors? What determines how the value gets assigned?

The calculation involves subjective analysis of values that are not defined. There is no detailed or concrete, full, concise and exact written description of how one would quantify or assign the values.

Applicant directs the Examiner to paragraphs 0045-0047 wherein it is discloses as follows:

> [0045] A ALARM risk quotient can be calculated 313 by weighting the risk assessment factors 116 according to their relative risk, such as the likelihood of prolonged litigation, substantial damages, punitive actions, damaged public opinion or other adverse affects related to Risk. Calculating a ALARM risk quotient can be accomplished by assigning a numerical value to each risk assessment factor 116, wherein the numerical value is representative of the risk associated with a particular piece of information, or a combination of pieces of information. For example, it may be determined in one case that a litigation poses significant advantages with a very strong position that has a good chance of being resolved through a summary judgment before an issue friendly judge. Therefore this information from the first case is assigned a low numerical value, or even a negative numerical value. In a second case, an issue may involve subject matter that is sensitive politically or to public relations. Information conveying this type of subject matter with high risk may be assigned a high numerical value. In addition, a weight can be assigned to an ALARM risk assessment factor 116 to which the information is assigned. A Risk Quotient can be calculated by multiplying a weighted numerical value indicative of how important a risk assessment factor 116 may be in regards to Risk times a value assigned according to the information contained in the risk assessment factor to obtain a risk factor value. The risk factor values may then be summed to obtain the Risk Quotient 110.
>
> [0046] For example, information received may indicate a potential litigation would be before a court that has previously issued strong opinions adverse to a client's position. In addition, the subject matter of the potential litigation may be particularly sensitive in the political arena. The risk assessment factor 116 assigned to the court may be a numerical value of 8 indicating a high risk with a weight of 10 given to court positions. In addition, the subject matter may also be rated at an 8 because of the risk associated with the political climate and political climate may have a weight of 7 according to its location and breadth of coverage. On the other hand, the client may have strong evidence in support of their position, which may receive a 1 because it is a relatively low risk. Evidence may also have a risk factor value of 10. Also, the subject matter of the legal action may not be a core interest to the client wherein this risk factor may be assigned a value of 3, with interest to client having an assigned weight of 5. Therefore, the net score for this example would be 8 times 10 or 80 plus 8 times 7 or 56 plus 3 times 10 or 30 plus 3 times 5 or 15 for a sum of 181, which is the Risk Quotient.
>
> [0047] A suggested action can be generated that is responsive to the Risk

> Quotient 314. For example, in response to a substantial risk indicated by a large value for a Risk Quotient, a suggested action may be to not proceed with a legal transaction or to settle a pending action. In response to a low risk score, the ALARM server 210 may respond by generating a course of action recommending pursuit of a legal action, and/or a strategy that may be executed to pursue the action. Intermediate scores may respond by suggesting that additional information be gathered, that various aspects of the legal action be monitored, or other interim measures.

There is no list of essential elements or questions identified which identify the numerical values and how they are assigned. Thus, there is no concrete result produced. The specification provides very little usable clear guidance as to how to objectively make the determination of what is produced in the report.

With respect to subjective information entered by a user, this subjective information would result in a different value depending on the scaled values that the individual uses, how the values are assigned and the weight the individual assigns to a factor. Thus, for each individual performing the invention, the result would be different and would have a different meaning. Therefore, the invention does not produce a repeatable or concrete result as required by the statute. The users of the invention must conduct a great deal of experimentation on their part in order to use the invention – to the point where the users become the inventor of their own application of the invention, rather than the applicant.

3. Claims 1-2, 6-9, 11-20, and 24-27 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

The applicant has amended the claim language to include the following limitation:

Wherein the risk assessment factors are selected from a group consisting of: a likelihood of prolonged litigation, damages, punitive damages, and damaged public opinion.

MPEP 2111.03 Transitional Phrases [R-3]

The transitional phrase "consisting of" excludes any element, step, or ingredient not specified in the claim. *In re Gray*, 53 F.2d 520, 11 USPQ 255 (CCPA 1931); *Ex parte Davis*, 80 USPQ 448, 450 (Bd. App. 1948) ("consisting of" defined as "closing the claim to the inclusion of materials other than those recited except for impurities ordinarily associated therewith.").

The applicant discloses the following in the specification:

The Examiner assets that specification does not provide support for the "consisting of" language.

> [0045] A ALARM risk quotient can be calculated 313 by weighting the risk assessment factors 116 according to their relative risk, ***such as the likelihood of prolonged litigation, substantial damages, punitive actions, damaged public opinion or other adverse affects related to Risk.*** Calculating a ALARM risk quotient can be accomplished by assigning a numerical value to each risk assessment factor 116, wherein the numerical value is representative of the risk associated with a particular piece of information, or a combination of pieces of information. For example, it may be determined in one case that a litigation poses significant advantages with a very strong position that has a good chance of being resolved through a summary judgment before an issue friendly judge. Therefore this information from the first case is assigned a low numerical value, or even a negative numerical value. In a second case, an issue may involve subject matter that is sensitive politically or to public relations. Information conveying this type of subject matter with high risk may be assigned a high numerical value. In addition, a weight can be assigned to an ALARM risk assessment factor 116 to which the information is assigned. A Risk Quotient can be calculated by multiplying a weighted numerical value indicative of how important a risk assessment factor 116 may be in regards to

Risk times a value assigned according to the information contained in the risk assessment factor to obtain a risk factor value. The risk factor values may then be summed to obtain the Risk Quotient 110.

The language in the specification is open ended, not closing the claim to inclusion of materials other than those recited. The specification identifies the listed factors as being a way of example. Furthermore, the language "or other adverse affects related to risk" indicates that the list comprises other factors.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 1-2, 6-9, 11-20, and 24-27 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The applicant claims receiving information relating to a plurality of risk assessment factors associated with the legal action. What does this information entail?

What are the numerical values and who assigns the numerical value to the risk assessment factors?

What values are used for the weight assigned to each of the risk assessment factors?

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claim 1-2, 6-9, 11-20, and 24-27 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

(1) whether the invention is within the technological arts; and

(2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. The claimed invention does not produce a concrete result. The invention as claimed is not repeatable and cannot be implemented without undue experimentation.

MPEP 2106 II A states as follows:

> A process that consists solely of the manipulation of an abstract idea is not concrete or tangible. See In re Warmerdam, 33 F.3d 1354, 1360, 31 USPQ2d 1754, 1759 (Fed. Cir. 1994). See also Schrader, 22 F.3d at 295, 30 USPQ2d at 1459.

Applicant admits on page 10 of applicant's response filed on September 16, 2004 that the user of the present invention is free to generate a value via objective or ***subjective*** means. Applicant states on page 10 that:

> The present invention is not limited to any one method or algorithm for the generation of such a scaled value. Many techniques and methods can be adapted for the generation of a scaled value based upon the information relating

> to legal action. Applicant respectfully suggests that the present invention is not limited to any one algorithm or method for ascertaining the scaled numeric or alphanumeric value, and that generating such a person practicing the present invention is free to generate a value via objective or ***subjective*** means.

The applicant has not provided any objective means.

Applicant states on page 11 of the response submitted on July 7, 2005 that the "example on page 12, lines 15-27 specifically details that a risk assessment can be ***subjective*** to the client using the present invention, as can be a numerical value representative of the risk associated with a particular piece of information." Applicant further states that a risk assessment factor can be anything that is important to the client and relates to the client's status as party to a litigation or an amicus curiae".

Many subjective interpretive criteria are involved in coming up with the end result in applicant's invention and it is not clear that the end result is predictive. There is no necessary list of essential elements or questions identified to produce a concrete result. The specification provides very little usable clear guidance as to how to objectively make the determination that is produced in the report.

Thus, for each individual performing the invention, the scaled values would be different, the factors would be weighed differently and each individual performing the invention, for the same set of facts, would come up with a different result and the result would mean something different to each of the individuals.

The result of the instant invention is one or more numbers generated by a subjective analysis of a human being. Section 101 requires that the results be reproducible. In the instant case, the numerical values and the assigned weights are

the result of expressions of subjective mental steps of a particular individual. Even the same person might generate different values and assign different weights, as when the person feels differently about the assessment factors at a different time. Moreover, since the result is subjective and dependent on a cognitive process, a person can be dishonest about how the values should be assigned or weighted. The subjective component of the invention is not amendable to reproducibility of a result. The result is not concrete or tangible, but merely one or more numbers that may serve as input data for processing.

Thus, the applicant's invention is a process that consists solely of the manipulation of an abstract idea and therefore is not concrete.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

6. Claims 1-2, 6-9, 11-20 and 24-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Heckman et al. (US 5,875, 431) (hereinafter referred to as Heckman) in view of Halligan et al (2002/0077941) (hereinafter referred to as Halligan).

Referring to Claims 1, 16 and 20:

Heckman discloses a computer implemented method, system, and program code for managing risk related to a legal action, the system comprising a computer server

(Figure 2 (27) (28)) accessible with a network access device via a communications network (Figure 2 (20) and (19)) and software to cause the system to perform the method (col. 5, lines 11-17; col. 12, lines 40-54) comprising:

receiving, into a computer memory, information relating to a plurality of risk assessment factors associated with legal actions (col. 6, lines 45-64 a strategic legal service plan; requires identification of milestones against which one can measure process toward the objective; once this path has been identified, deviations destructive to progress are more detected and avoided; col. 7, lines 6-12 ***strategic case plans consist of an accurate assessment of a case's potential opportunities and weaknesses***; col. 7, lines 36-39 the legal team must decide upon the desired outcome and ***the acceptable level of risk or uncertainty permitted*** as it can affect the cost of delivery of services (risk assessment); col. 7, line 48 thru col. 8, line 4 perform a structured, or triage-type analysis to decide whether the case is defensible or meritorious; the results will usually be sufficient to permit a rough determination of exposure or liability; col. 16, lines 59-66 routing information to Risk Management)

generating a suggested action (col. 5, lines 18-28 enabling an iterative, interactive closed loop legal strategic planning system ***to produce a legal strategic plan*** to maximize the likelihood of attaining the desired outcome to the case; col. 5, lines 61-67 strategic legal activity or litigation planning aspects of the invention involve defining the most cost-efficient process by which a defined, acceptable case outcome may be obtained) col. 13, lines 48-54; col. 14, lines 33-39 and 45-56; col. 17, lines 34-37).

Heckman does not disclose assigning a numerical value to each of a plurality of risk assessment factors, wherein the numerical value is indicative of a legal risk of each risk assessment factor relative to the other plurality of risk assessment factors, assigning a weight to each of the plurality of risk assessment factors, calculating a risk factor value by multiplying the numerical value and the weight assigned to each of the risk assessment factors; calculating a risk quotient for the legal action by summing the plurality of risk values.

However, Halligan discloses a trade secret documentation tool used to prepare reports and court exhibits documenting employee and outsider exposure to trade secrets so as to be used at the time of litigation by assigning a numerical value to each of a plurality of risk assessment factors, wherein the numerical value is indicative of a legal risk of each risk assessment factor relative to the other plurality of risk assessment factors (*Figure 4 Enter values of the five factors for the Trade Secret; page 2 [0020-0023], page 6 [0094-0095], page 7 [0096] steps of applying a plurality of generally accepted legal criteria to the content of a trade secret,* ***assigning a value under each criterion****; applying generally accepted legal criteria (e.g. the six factors of a trade secret as set forth in Section 757 of the First Restatement of Torts; page 2 [0020-0023], page 6 [0095], and page 7 [0096-0098]* ***assigning a value under each criterion and generating one or more metrics from the assigned values; the applicant may provide information about the estimated values of the six factors of a trade secret, such as on a 1 to 5 scale****; assigning a value under each criterion and generating one or more metrics; Figures 3-4, 6 – Report Outliers, page 3 [0034]*

calculating the ratios and other logical and mathematical values from various values associated with the trade secret and other data and displaying and printing the results; page 7 [0096] comparing the results with predetermined threshold values may be used to provide and objective measure of whether the trade secret is defendable, (i.e., defensible); used to establish that a court of competent jurisdiction would more likely than not find the existence of a trade secret.), assigning a weight to each of the plurality of risk assessment factors (*[0009] using the six facts to document,* ***weight*** *and evaluate the existence of a trade secret and measures to protect the trade secret [0017] weighting of the six factors* [0027] ***calculating various weightings of the six factors [0095] the five factors for each trade secret may be characterized by a value, a number on a scale of 1 to 5; the accounting system may calculate various weightings of the six factors)***, calculating a risk factor value by multiplying the numerical value and the weight assigned to each of the risk assessment factors; calculating a risk quotient for the legal action by summing the plurality of risk values (*[0034] calculating the ratios and other logical and mathematical values; [0097] assigned values may be averaged to provide the relevant metric; the six assigned values may be multiplied and the sixth root taken*)

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine analysis method and system of Halligan with the legal strategic analysis method and system of Heckman so that an evaluation can be performed to determine whether the trade secret is likely to meet the tests applied by the courts and comparing the results with predetermined threshold values which can be used to

provide an objective measure of whether the trade secret is defendable, and thus any alleged misappropriation should be litigated if the defendability factors are high which may suggest a very important or defendable trade secret as opposed to trade secrets with low defendability factors.

Assuming the fact that the applicant has support in the specification for the "consisting of" language, the Examiner asserts that Heckman and Halligan disclose information relating to a plurality of risk assessment factors associated with legal actions (Heckman col. 6, lines 45-64 a strategic legal service plan; requires identification of milestones against which one can measure process toward the objective; once this path has been identified, deviations destructive to progress are more detected and avoided; col. 7, lines 6-12 ***strategic case plans consist of an accurate assessment of a case's potential opportunities and weaknesses***; col. 7, lines 36-39 the legal team must decide upon the desired outcome and ***the acceptable level of risk or uncertainty permitted*** as it can affect the cost of delivery of services (risk assessment); col. 7, line 48 thru col. 8, line 4 perform a structured, or triage-type analysis to decide whether the case is defensible or meritorious; the results will usually be sufficient to permit a rough determination of exposure or liability; col. 16, lines 59-66 routing information to Risk Management)

The fact that the risk assessment factors are selected from a group consisting of a likelihood of prolonged litigation, damages, punitive damages, and damaged public opinion further defines the factors and is determined to be nonfunctional descriptive data which is not functionally involved in the steps recited. The steps to the invention

would be performed the same regardless of what type risk factors are being assessed. The structure of the system would be the same. Thus, this descriptive material will not distinguish the claimed invention form the prior art in terms of patentablility, see In re Gulack, 703 f. 2d. 1381, 1385, 217 USPQ 401, 404 (Fed Cir. 1983); in re Lowry, 32 F. 3d 1579, 32 USPQ 2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this data because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of data does not patentably distinguish the claimed invention.

Referring to Claim 2:

Heckman disclose generating a report including the suggested action (*col. 5, lines 64-67 defining the most cost-efficient process by which a defined, acceptable case outcome may be obtained, col. 6, lines 13-17 provides the "best" legal strategic plan to achieve a desired out is enhanced as completed cases are analyzed, lines 45-48, col. 19 –BEST MODE, Figure 5-1 (62)* Figure 5-2 (68, 69) col. 13, lines 48-54 reporting information; col. 14, lines 33-39 and 45-56 (track and report; quality or type of reports; col. 17, lines 34-37)).

Referring to Claim 6:

Both Halligan and Heckman disclose wherein the suggested action is directed towards reducing risk related to a legal action (*Halligan – page 1 [0009] an evaluation should be done to determine whether the trade secret is likely to meet the tests applied by the courts; Section 757 of the First Restatement of Torts sets forth six factors for*

evaluating the existence of a trade secret to assist courts in adjudicating trade secrets, page 2 [0020], page 7 [0096-0098] defendability factors may suggest a very important or defendable trade secret; and Heckman – col. 6, lines 9-23 provides "best" legal strategic plan to achieve a desired outcome).

Referring to Claims 7-9:

Heckman discloses a strategic planning method and system with the ability to provide the "best" legal strategic plan (col. 6, lines 8-23, 45-64) which could encompass arbitration. Heckman discloses wherein the suggested action comprises commencing a litigation and wherein the suggested action comprises settling a legal action (*Figure 4 col. 22, lines 12-28 based on the results of the preliminary analysis, a decision is made to either go forward with legal action or stop and settle the case*).

Referring to Claim 11:

Heckman discloses wherein at least one of the plurality of risk assessment factors is associated with a venue for the legal action (*col. 8, lines 21-36 Venue, col. 16, lines 59-60 impact of the venue of the case, the relevant jurisdiction, col. 15, lines 21-22, Figure 2*).

Referring to Claim 12:

Halligan discloses wherein the received information relating to the plurality of risk assessment factors is gathered electronically (Figure 1, [0051-0061] [0080]).

Referring to Claim 13:

Both Heckman and Halligan disclose a method further comprising aggregating scaled numerical or alphanumerical values relating to the person (*Heckman – defendants col. 8, lines 38-63 and Halligan – trade secrets*) and assessing an aggregate level or risk related to actions (*Heckman Figures 1-2, 3 (33 case specific data) (34, 35, 37, 38), Figure 4, legal and factual issues, nature of case, Figures 5-1 and 5-2; col. 7, lines 36-40 acceptable level of risk and uncertainty; col. 8, lines 5-20 summary of case facts, lines 37-52 Current Case Development; col. 11, lines 18-41; col. 20, line 67 thru col. 21, line 2 the risk of not achieving the desired outcome is a factor in selecting the baseline template; minimizing the risk of failure for each task; Halligan page 2-3 [0020-0034]; page 7 [0099] risk of loss of the trade secret*).

Referring to Claim 14:

Halligan discloses calculating an average numeric value or value associated with the person (page 5 [0084] Table B, Figure 5 Calculate Employee Risk Factor; page 8 [0105-0106]).

Referring to Claim 15:

Heckman discloses a legal action with litigation (Figure 4). Heckman does not disclose that the legal action is a class action suit.

The fact that the legal action is a class action suit is determined to be nonfunctional descriptive data which is not functionally involved in the steps recited. The steps to the invention would be performed the same regardless of this data. Thus, this descriptive material will not distinguish the claimed invention form the prior art in terms

of patentablility, see *In re Gulack,* 703 f. 2d. 1381, 1385, 217 USPQ 401, 404 (Fed Cir. 1983); *in re Lowry,* 32 F. 3d 1579, 32 USPQ 2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this data because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of data does not patentably distinguish the claimed invention.

Referring to Claims 17-19:

Halligan discloses wherein the information is received via an electronic feed, wherein the network access device is a personal computer, or a wireless handheld device (pages 3-4 [0052-0066]).

Referring to Claims 24-27:

The fact that the person is a legal person or a natural person, or a combination of both or that the legal person is governmental entity, or that the suggested action comprises appearing as an amicus curiae of the court in litigation, or that the risk comprises legal, regulatory, financial and reputational exposure is determined to be nonfunctional descriptive data which is not functionally involved in the steps recited. The steps to the invention would be performed the same regardless of this data. Thus, this descriptive material will not distinguish the claimed invention form the prior art in terms of patentablility, see *In re Gulack,* 703 f. 2d. 1381, 1385, 217 USPQ 401, 404 (Fed Cir. 1983); *in re Lowry,* 32 F. 3d 1579, 32 USPQ 2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this data because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of data does not patentably distinguish the claimed invention.

Response to Arguments

Applicant's arguments filed 07/26/06 have been fully considered but they are not persuasive.

Claim Rejections - 35 USC § 112

7. The applicant argues against the Examiner's rejection under 35 USC Section 112, first paragraph for failing to comply with the enablement requirement. However, the following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, **in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same** and shall set forth the best mode contemplated by the inventor of carrying out his invention.

As the claim language and specification are written, the disclosure is entirely subjective and incomplete and only provides a general description of old and well known approaches to common analysis of risk. The applicant has not provided a specific set of steps with a specific set of detailed criteria or values or algorithms or formulas.

As to applicant's argument that applicant's amendment clarified the claimed risk assessment factors as being sufficient to overcome the 112 1st, the examiner respectfully disagrees.

The applicant refers the Examiner to paragraphs 0045-0047, wherein it is discloses:

[0045] A ALARM risk quotient can be calculated 313 by weighting the risk assessment factors 116 according to their relative risk, such as the likelihood of prolonged litigation, substantial damages, punitive actions, damaged public opinion or other adverse affects related to Risk. Calculating a ALARM risk quotient can be accomplished by **assigning a numerical value to each risk assessment factor 116, wherein the numerical value is representative of the risk associated with a particular piece of information, or a combination of pieces of information.** For example, it may be determined in one case that a litigation poses significant advantages with a very strong position that has a good chance of being resolved through a summary judgment before an issue friendly judge. Therefore this information from the first case is assigned a low numerical value, or even a negative numerical value. In a second case, an issue may involve subject matter that is sensitive politically or to public relations. Information conveying this type of subject matter with high risk may be assigned a high numerical value. In addition, a weight can be assigned to an ALARM risk assessment factor 116 to which the information is assigned. A Risk Quotient can be calculated by multiplying a weighted numerical value indicative of how important a risk assessment factor 116 may be in regards to Risk times a value assigned according to the information contained in the risk assessment factor to obtain a risk factor value. The risk factor values may then be summed to obtain the Risk Quotient 110.

[0046] For example, information received may indicate a potential litigation would be before a court that has previously issued strong opinions adverse to a client's position. In addition, the subject matter of the potential litigation may be particularly sensitive in the political arena. The risk assessment factor 116 assigned to the court **may be** a numerical value of 8 indicating a high risk with a weight of 10 given to court positions. In addition, the subject matter may also be rated at an 8 because of the risk associated with the political climate and political climate may have a weight of 7 according to its location and breadth of coverage. On the other hand, the client may have strong evidence in support of their position, which may receive a 1 because it

is a relatively low risk. Evidence may also have a risk factor value of 10. Also, the subject matter of the legal action may not be a core interest to the client wherein this risk factor may be assigned a value of 3, with interest to client having an assigned weight of 5. Therefore, the net score for this example would be 8 times 10 or 80 plus 8 times 7 or 56 plus 3 times 10 or 30 plus 3 times 5 or 15 for a sum of 181, which is the Risk Quotient.

[0047] A suggested action can be generated that is responsive to the Risk Quotient 314. For example, in response to a substantial risk indicated by a large value for a Risk Quotient, a suggested action may be to not proceed with a legal transaction or to settle a pending action. In response to a low risk score, the ALARM server 210 may respond by generating a course of action recommending pursuit of a legal action, and/or a strategy that may be executed to pursue the action. Intermediate scores may respond by suggesting that additional information be gathered, that various aspects of the legal action be monitored, or other interim measures.

Applicant states on page of the remarks that *as Discussed in the Specification the exact numerical value assigned to a risk assessment factor is not as significant as the relative value of the various risk as assessment factors.* The examiner is unclear what the applicant defines as relative values of the various risks.

By applicant's own admission on page 11 of the remarks, applicant has not included a specific range of values for the risk assessment factors and the weights and a specific recitation of who assigns the risk assessment values.

The result of the applicant's invention would not be consistent between users. The applicant has not provided a detailed set of logical formulas that would provide consistent results as between users. The specification does not clearly and adequately explain with certainty exactly what the numeric value is or how it is assigned. There are uncertain and non-specific examples in the specification as in the portion of the specification that the applicant directs the Examiner too under [0046]. The applicant

states that there are actual numbers in this paragraph. However, the numbers are only given as an example without specifically identifying how they are applied.

There is no objective definition of what the scale of the score is so that one can determine what level is considered high or low or no objective indication as to how the values are weighted. There is no specific list of evaluation factors.

The MPEP section 2164.01 (a) lays out Undue Experimentation Factors (A) through (H). The applicant's claims are broad and vague and there is essentially no direction provided by the inventor so that a user must conduct a great deal of experimentation on the user's part in order to use the invention – to the point where the user becomes the inventor of their own use of the invention, rather than the applicant.

Claim Rejections - 35 USC § 101

8. As for the applicant's arguments as to the 101 rejection, the Examiner directs the applicant to the detailed discussion above under the 101 rejection.

Claim Rejections - 35 USC § 103

9. Applicant argues that Hickman does not disclose or suggest the claim assigning assigning a numerical value, assigning a weight or calculating values... In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA

1981); *In re Merck & Co.,* 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Halligan was cited as prior art for these limitations.

As for applicant's argument that *Halligan is not concerned with a managing or assessing a risk related to a legal action,* the examiner respectfully disagrees. Halligan discloses in paragraph [0009] that in addition to collecting information on the company's trade secrets, an evaluation should be done to determine whether the trade secret is likely to meet the tests applied by the courts. In the United States, Section 757 of the First Restatement of Torts set forth **six factors for evaluating the existence of a trade secret to assist the courts in adjudicating trade secret cases**. One of the inventions they claim is a method of using the six factors to document, weight, and evaluate the existence of a trade secret and measures to protect the trade secret. Thus, the Examiner asserts that Halligan is concerned with managing and assessing risks associated with legal actions.

Therefore the Examiner asserts that the combination of Heckman and Halligan fully disclose applicant's claimed invention.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Janice A. Mooneyham whose telephone number is (571) 272-6805. The examiner can normally be reached on Monday through Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on (571) 272-6812. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Jan Mooneyham
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Art Unit 3629